

ENTERTAINMENT

'Tuli' director says his baby was disemboweled

ACROSS / A17

Girl's device converts rice husk into fuel

WORLD / A8

Major economies call for stable oil prices

LIFESTYLE

Celebrating innocence, friendship



Gov't's high phone bill traced to 'telebabad'



PHILIPPINE DAILY INQUIRER

BALANCED NEWS, FEARLESS VIEWS

Monday, October 17, 2005 • 42 pages / vol. 20 / no. 311

Hunt for JI camps tops agenda of RP-Australia talks

By Volt Contreras



DEFENDING THE CAPITAL

GMA-Church fight looms

Bishop Tobias: CPR policy jelling bishops together

A BISHOP DRENCHED WITH A WATER CANNON yesterday said the police dispersal of a religious procession was likely to unify prelates in what he described as a looming battle between the Holy Spirit and President Macapagal-Arroyo.

Anti-GMA art warns of bigger street rallies

Politicians turn to Rizal for guidance



PRAYERS FOR JANE

Biazon seeks probe of big weapons shipment in Luzon

Sex worker joins campaign vs prostitution

WEATHER FORECAST

Second FrontPage

Goons blocking land reform, say farmers

MUNICIPAL AGRARIAN REFORM OFFICERS (MAROs) of the Department of Agrarian Reform are being harassed by goons hired by wealthy landowners whose lands are still to be covered by the Comprehensive Agrarian Reform Program, a group working with farmers said.



RP STATEMENT ON TRANSNATIONAL CRIME

National Bureau of Investigation Director Reynaldo G. Wycoco delivers the Philippine Statement during the opening of the second session of the Conference of Parties to the United Nations Convention on Transnational Organized Crime (UNCTOC) in Vienna, Austria, on Friday. Wycoco called for the strengthening of technical assistance to help states fill the gaps in their implementation of the UNCTOC.

Luz given choice of jobs

Gov't goes after realty tax cheats

MNLF hits gov't-MILF deal

COTABATO CITY—FORMER ARMM GOV. Farouk Hussin, who is a ranking official of the Moro National Liberation Front (MNLF), said on Saturday the Arroyo administration had insulted and effectively dumped the group as an ally when the government entered into an agreement with the Moro Islamic Liberation Front (MILF) allowing the latter to draft the charter of an expanded Muslim region in the southern Philippines.

Hussin, also the MNLF foreign minister, told the INQUIRER by phone the government did not consult the group before it entered into the agreement with the MILF.

Hussin said the agreement was also an insult to the Organization of the Islamic Conference (OIC) which had brokered the 1996 peace agreement between the government and the MNLF.

"It's a dirty game. I don't know how they can play with the Bangsamoro people," Hussin said.

Earlier, MILF spokesperson Eid Kabalu said the government and the MILF had agreed in principle to the drafting of a constitution for an expanded Muslim region, the imposition of its own tax system and the establishment of a legal financial institution.

The present Autonomous Region in Muslim Mindanao comprises five provinces and one city.

The agreement was seen to boost the chances of success of the peace negotiations between the government and the MILF.

"We are still committed to the agreement we signed with the government... to the peace and development of Mindanao. But if this is the kind of government we have... They disregarded us as well as the Organization of the Islamic Conference. We will ask the OIC to do the same to them," Hussin said.

Hussin said MNLF leaders would be meeting soon to discuss the issue.

"Even before the holding of the elections in the ARMM, we were not consulted. The ARMM is part of the final peace agreement. The government threw [out] not only me but the entire MNLF. I don't think the Bangsamoro people are stupid. I'm sorry. We are determined to bring this matter to the OIC," he said.

The Philippines has been trying to get the OIC to grant it observer status. *Jeoffrey Maitem, PDI Mindanao Bureau*



Petron hikes prices, too

Prelate urges flock to oppose new lottery

By Yolanda Sotelo-Fuertes

Sea marshals deployed to Metro Manila ports

By Leila B. Salaverria



Pols blamed for poor quality of teaching schools



Nurses not yet welcome in Japan



Sex worker joins campaign vs prostitution

No failure

Barangay Bagong

Government's high phone bill traced to 'telebabad'

Voice over Internet Protocol

Huge savings

SPORTS

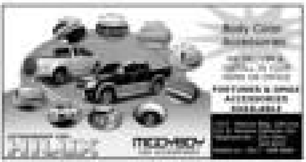
Yap shines as Giants overcome Beermen



PUREFOODS CHUNKEE CONquered another giant it had not beaten for a long time—and in overtime as well.









Django bows to Hungarian



The WORLD

Major economies call for stable oil prices

XIANGHE, CHINA—THE GROUP OF 20 MOST industrialized and largest developing countries on Sunday called for stable oil prices and greater efforts to free up trade to reduce poverty and sustain economic growth.



MILLION MAN MARCH ANNIVERSARY

Provinces may decide outcome of Iraq poll

QUAKE AID

Choppers now, mules afterward

By Danny Kemp

ZIARAT, PAKISTAN—HELICOPTERS FROM around the world have formed the backbone of efforts to help remote corners of quake-hit Pakistan, but when they go home relief officials say mules will take their place.

If the global mercy mission has a sound, it is the earsplitting thwump of up to 90 choppers a day flying over the cracked roofs of the region, sending vibrations like new tremors through the rubble.

The United States has deployed five giant twin-rotor CH-47 Chinooks, three sleek UH-60 Black Hawks and two powerful MH-53 Sea Stallions in the latest example of Washington's "helicopter diplomacy" in the developing world.

From Germany two American-built CH-53 Super Stallions have been a regular sight over the broken rooftops of the region.

Russian-made Mi-17s are used by the United Nations, the Red Cross and poverty-stricken Afghanistan, which has found itself in the unusual position of offering aid elsewhere and has sent four.

The mainstay of the helicopter relief effort however has been Pakistan itself, mobilizing more than 30 Mi-17s and US-made UH-1s—whose distinctive throb and fuselage-mounted skids are more familiar from Vietnam War films.

Without these fearsome pieces of technology, and their hardworking pilots, the aid effort after the quake that killed at least 38,000 people would never have got off the ground.

Helicopter crash

But in a sign of the risks involved, six Pakistani military personnel were killed Saturday when their Mi-17 crashed near the Kashmiri town of Bagh.

The bigger choppers ferry supplies to main towns like devastated Muzaffarabad and rush casualties back to the capital Islamabad—500 on Friday alone. They were vital in the early days when all roads to the quake zone were cut.

The smaller ones drop food, blankets and tents to the crushed hamlets that litter the valleys of the quake zone, and evacuate thousands of often critically injured survivors.

On one of the most challenging missions this week, the Pakistani Army flew in to Ziarat, a rabble of wooden houses teetering on the top of a 5,000-foot ridge in the devastated Jhelum Valley, southeast of Muzaffarabad.

Three times the Pakistani crew of a Vietnam-style UH-1 "Huey" tried to touch down on a patch of rocky ground barely bigger than their own helicopter, a steep precipice on either side, before they were successful.

Before the skids even touched the ground people had rushed from the wreckage of the village, bearing sick women and children wrapped in filthy blankets in their arms or lying on traditional wooden bedframes known as *charpoys*.

"You, not you," shouted one of the pilots who had jumped out of the cockpit, helping a woman with a bandaged head into the cramped cabin and fending off a gnarled old man clutching a small tear-stained boy.

Still more villagers crowded around and were nearly blown off their feet by the massive downdraft from the still-spinning blades as the helicopter's loading manager warned others away from the tail rotor.

Less than five minutes after landing, the helicopter lifted slowly then veered off at a drunken angle towards Muzaffarabad, 10 casualties in its belly, some weeping and others too sick to move.

Desperate appeal

UN and Pakistani officials have desperately appealed for the world to send more helicopters to help out. During a visit to Muzaffarabad on Friday, Information Minister Sheikh Rashid said extra choppers were vital.

One option remains out of the question—helicopters from Pakistan's neighbor and long-time foe India.

"There is a place with hundreds of helicopters that could easily bring food, blankets and tents, and that is in Indian Kashmir," a senior aid official said on condition of anonymity, referring to the disputed Himalayan territory that is split between New Delhi's and Islamabad's control.

"But the first thing the Pakistanis told us after the earthquake was that they would take helicopters from anywhere except India and Israel."

In any case, the helicopters are vulnerable to the weather—and that is about to turn for the worse.

Twice in the first week since the Oct. 8 quake heavy rain has stopped chopper flights and officials say conditions are about to deteriorate, with snow arriving Saturday on the mountains that loom over Muzaffarabad.

After the helicopters are grounded or have returned to their home countries, officials say mules are likely to bear the burden for getting supplies up twisting paths to cut-off villages.

The Pakistani Army has traditionally kept scores of the beasts for its military and humanitarian operations in the network of peaks and valleys in the rugged north.

"They are capable of reaching the parts machines cannot reach," said a Pakistani Army spokesperson.

Mules have already begun to lug heavy loads to isolated villages near Balakot, a northwestern tourist town that suffered some of the most devastating damage in the quake. *AFP*

Mark passed test, says cager's dad



Minoza falters in final round with a 74

Disgrace and dismay

BARE EYE

PUP netters stun UST for crown

Imported Wild Orchid trips Real Spicy in D. Juan Derby

RP golfers wind up 19th

Villamor takes WGAP 8th leg



Alonso lifts Renault to team crown

National runners rule King of the Road race



AMA bags WNCAA senior trophy

Rich purse at stake in varsity badminton

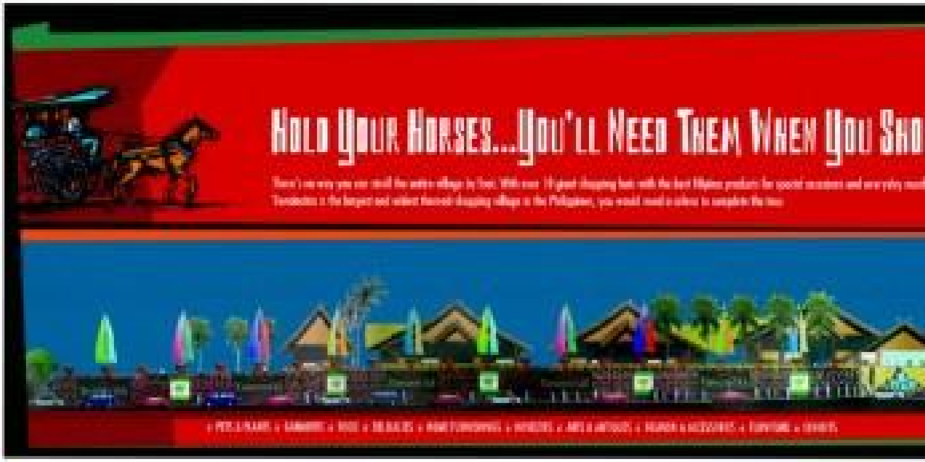
'Shamnesty'

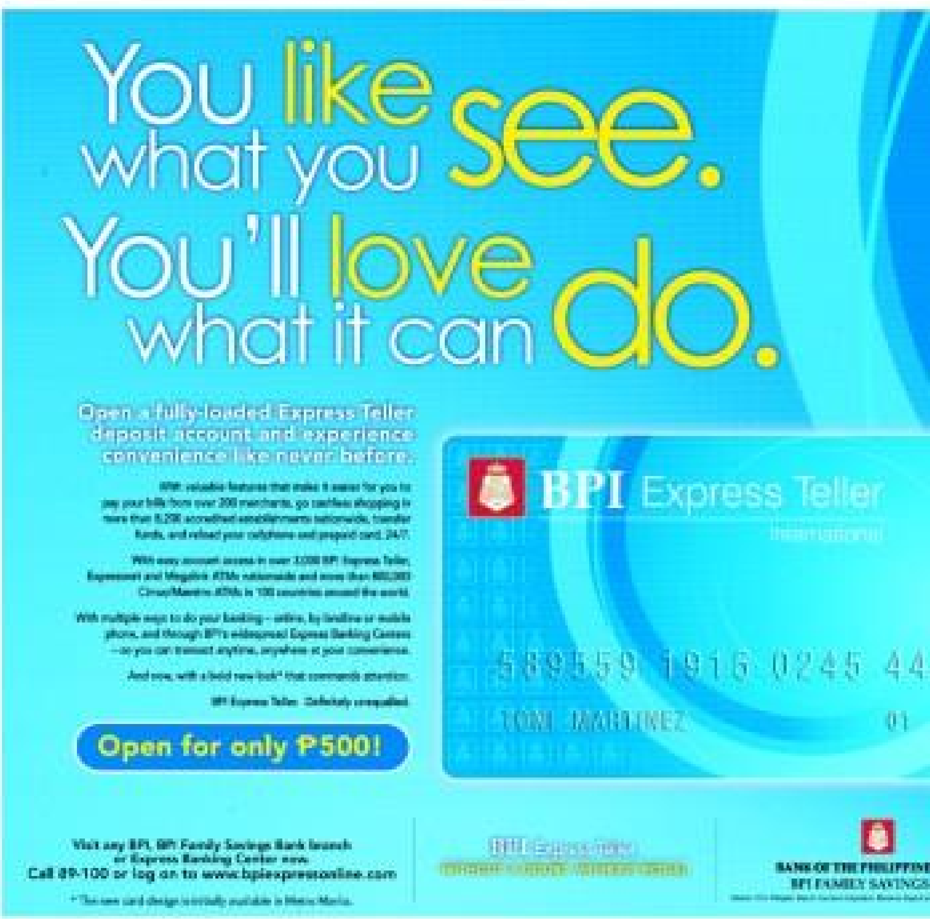
SPECTATOR



Al S. Mendoza

Tests confirm deadly bird flu strain has reached Europe







Most Japanese support female royal succession





PHILIPPINE DAILY INQUIRER

OPINION



Unpopular anger

EDITORIALS

Ate Glue doing it all wrong

AS I SEE IT

Neal H. Cruz

Unintended consequences

Flood

THERE'S THE RUB

Conrado de Quiros

Temporary State takeover of businesses

Sounding Board

Fr. Joaquin G. Bernas, S.J.



The sum of our fears

Kris-Crossing Mindanao

Noralyn Mustafa



Scorched-earth governance

The Long View

Manuel L. Quezon III



New Orleans in Manila

Commentary

Denis Murphy

They Said

Nobody

Of dogs and policemen

LETTERS

Accident waiting to happen?

Nothing said on General Gudani

Brilliant victory

Across the NATION

3 soldiers slain in NPA attack in Cebu

CEBU CITY—THREE SOLDIERS WERE KILLED AFTER ABOUT 20 communist rebels attacked a military detachment in a hinterland village of Tuburan, Cebu on Saturday afternoon.

[illegible]

Girl's device converts rice husk into fuel



[illegible]

Mayor, DepEd exec clash over elementary school

[illegible]

Power

[illegible]

Defiance

[illegible]

Teachers

[illegible]

Reassignment

[illegible]

ONG KONG

eggie industry, leaders urge

LA TRINIDAD, BENGUET—THE PROVINCE'S vegetable industry leaders have joined calls for the government's trade negotiators to come up with a bold stance that would push a nationalist economic policy in the World Trade Organization Ministerial Conference in Hong Kong this December.

They said the conference could provide the best venue for the vegetable industry, together with other domestic industries, to make a strong statement on the chance of local farmers to adopt protectionist measures for vegetables under a free trade system.

The Fair Trade Alliance, a coalition of nongovernment organizations, business and agricultural leaders, has urged the government to convene a multisectoral meeting and draw a common development agenda to be presented in Hong Kong.

In a letter to President Macapagal-Arroyo on Sept. 26, former Sen. Wigberto Tañada, FTA lead convenor, said the government's official policy against "unbridled globalization" needs to be defined in clear economic terms that would demand safeguard mechanisms and tariff protection for local industries.

Benguet Board Member John Kim, the provincial board's committee chair on agriculture, said the Hong Kong conference aims to draw up a consensus on a new round of trade liberalization measures among WTO member countries in agriculture, including services and intellectual property rights.

"For sure, the result of the discussions would impact on the future of the local vegetable industry," Kim told the Inquirer.

"If the government could not obtain favorable concessions to protect our local economy, then our farmers will soon wake up to find their vegetables rotting due to the entry of imported products," he said.

The FTA is correct, Kim said, when it assailed the government for failing to come up with a clear position on various trade issues that would be calendared for discussion in the Hong Kong meeting.

He said the plight of the local vegetable industry might get lost or forgotten when the conference wraps up its points of agreement due to the absence of a concrete agricultural agenda on the part of the country's negotiators. *Delmar Cariño, PDI Northern Luzon Bureau*



CHRISTMAS PREPARATION [illegible] With only 69 days before Christmas, seasonal makers from Pampanga start assembling their lanterns at their store in [illegible], Davao City.

SC voids Isabela mayor's poll victory

By Villamor Visaya Jr.
PDI Northern Luzon Bureau

ILAGAN, ISABELA—THE SUPREME Court has annulled the proclamation of Mayor Raymond Rapiñid of Ramon town after upholding the order of the Commission on Elections that nullified his election victory.

The Comelec said the members of the municipal board of canvassers in Ramon "acted under duress, intimidation and threats" when they proclaimed Rapiñid.

"All told, the Comelec en banc did not commit grave abuse of discretion in affirming in toto the resolution of the second division annulling the proclamation of Rapiñid," said the SC's Oct. 11 decision on the petition for certiorari and prohibition filed by Rapiñid against the Comelec, the municipal board of canvassers and losing mayoral candidate Wilfredo Tabag.

In a phone interview, Rapiñid said he has yet to receive a copy of the decision. He said he would discuss with his lawyer their next move following the high court's order.

Rapiñid (Lakas-CMD) obtained 8,047 votes while his closest rival, Tabag (NPC-Lakas), obtained 6,633 votes.

But Tabag filed a motion before the Comelec to annul Rapiñid's proclamation and restrain him from assuming the duties and functions of a mayor.

The SC decision also resulted the status quo order in the town, paving the way for Vice Mayor Mercedes Tiburcio to assume as acting mayor.

The SC said there was a discrepancy between the number of votes cast for the mayoral candidates and the number of registered voters who actually voted.

It said that upon verification of the statement of votes, the Comelec second division discovered that the number of those who actually voted was 17,207 while the number of votes cast for the mayoral candidates was 18,[illegible].

"Any error in the statement of votes would affect the proclamation made on the basis thereof. The true will of the electorate may thus be not fully and faithfully reflected by the proclamation," it said.

The SC gave credence to a memorandum of election officer Agripino de Guzman, municipal board canvassing chair, who said he "hastily finished" the canvassing and proclaimed Rapiñid and other winners due to threats and intimidation.

The Comelec order earlier said the "discrepancy may not overturn the alleged lead of [Rapiñid] from [Tabag] but such figure tells of the fact that a deliberate attempt to pad such votes may have transpired, and the commission cannot just close its eyes to this travesty of the integrity of the electoral process."

City acts to curb smoking

LEGAZPI CITY—A "SMOKE-FREE Legazpi," is the newest battle cry galvanizing all sectors from the city as the Albay capital would become a healthful environment.

Over the past months, billboards and other signages in transportation terminals, commercial establishments, government and private offices and stickers in public conveyances such as buses, jeeps and tricycles have sprouted cautioning the citizens against the hazards of tobacco smoking.

"On the first week of September, Legazpeños became wary of lighting a cigarette in public places when the city started to enforce ordinance 0020-2005 regulating the use, sale, distribution and advertisements of tobacco products," said Mayor Noel E. Rosal.

Rose Marie [illegible], chair of the Smoke-Free Committee and representative of the Adventist Community Services, said the ordinance has a "heart for the minors" as it makes it unlawful for those under 18 years old to sell or buy tobacco products.

Establishments selling tobacco products are required to post statements to this effect.

She said a unique feature of the "Legazpi Smoke-Free" campaign is the smoking cessation program whereby violators are given lectures and counseling.

Telephone counselors volunteers also man the "Smoke-Free Hotline" and the "Friends on Line" for those who wish to kick the habit.

Marlene Manaya, City Social Welfare and Development Officer, said nongovernment groups, schools and city departments as well as law enforcement teams pooled their resources and regularly meet to ensure information dissemination and enforcement of the ordinance.

"The Albay Medical Society and the Rotary supported the campaign through production of 'no smoking' stickers for distribution to the public," added Manaya.

The ordinance prohibits smoking in public places such as hospitals, schools, churches, shopping malls, buildings, movie houses, hotels, restaurants, parks, public transportation terminals and other enclosed public and private buildings and stores.

"I have given night club owners three months until December to comply with this provision," said Rosal.

The ordinance provides penalties for smoking in airplanes, ships, buses, light rail transits, jeepneys, taxis, tricycles, pedicabs and other public conveyances.

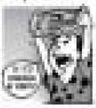
A P500 fine is imposed for a first-time offense, P1,000 or a smoking cessation counseling for the second offense, and P5,000 and a smoking cessation counseling for the third and subsequent offenses.

Rosal approved the ordinance on May 12. *Ellen F. Rodriguez, PDI Southern Luzon Bureau*

Cebu tightens port security for terror attacks

Roundup

Suspects in fake money held

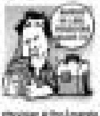


Pawnshop heist

Most wanted man held

Leftist leader slain

Spaghetti downs 8



Best commerce group









Hunt for JI camps tops agenda …

Expanded Australian role

Philippines needs help

Maritime surveillance



UNDERNEATH all the strips of tape covering their helicopter's belly, Philippine Coast Guard men conduct antiterrorist exercises near Manila Bay as a part of a security alert against possible attacks.

GMA-Church fight looms

GMA unfit to govern

Gathering of trapos, leftists

Senior citizens

Be fair to police

Palace will run out of police

Biazon seeks probe of big weapons shipment in Luzon



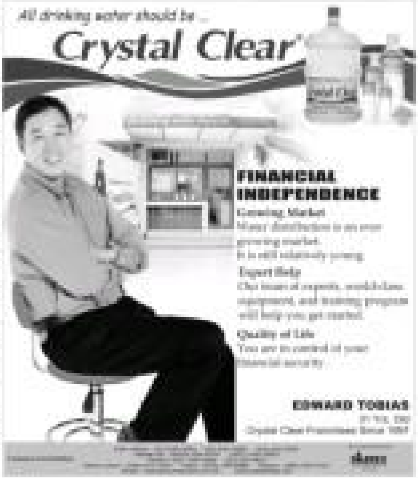
BIAZON

Private army

Weapons from Cambodia

Karagatan and Andrea





Politicians turn to Rizal for guidance



SALONGA

After 100 years

Grinding poverty

Life begins at 80

Laughing nuts



Anti-GMA art warns of bigger street rallies

Mendiola protest

THE DAILY GOSPEL

SUPREME COURT DOCTRINES



DOWN YOU GO
Metropolitan Manila Development Authority workmen take down huge billboards which have been found hazardous. One billboard recently fell on a Metro Rail Transit train and paralyzed operations for hours.

Sta. Cruz trading firms raided

Mandaluyong child suspects get own cell

38 sq. m.

Lucky few

Death penalty

On death row

Since 1990s

Fireman slain in fire station





SUERTRES 5 6 6 · EZ2 36 42

METRO

SUPERLOTTO 6/49 8 22 25 35 38 45 — ₱79,598,614.20

Crackdown to mark relaunch of bus plan

By Margaux C. Ortiz

[illegible]

Last chance

[illegible]





BIKERS

[illegible]

Kidnapping raps filed against cops

By Margaux C. Ortiz

[illegible]

BUSINESS

Dismissal of tax evasion case 'worrisome'

BIR says charges vs former agri chief not yet over

THE TAX EVASION CHARGE AGAINST DHY REALTY and Development Inc.—a company owned by the family of former Agriculture Secretary Arthur Yap—was one of the strongest ever filed under the Arroyo administration's Run After Tax Evaders (RATE) program, according to its proponents.

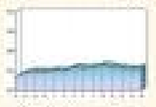
Airtight case

WHAT'S INSIDE

CURRENCIES



STOCK MARKET



Investors await profit reports

In search of political will

No Free Lunch

Cielito F. Habito



Common good

Linking the two

Leadership, incentives

Changing hearts

Court chains CX, Qantas

COCKTALES

Victor C. Agustin

DISGRUNTLED CATHAY PACIFIC and Qantas have been prevented by the Pasay Regional Trial Court from transferring their warehousing and cargo logistics business away from the controversial Pisteo/Pair Cargo owner Jeffrey Cheng.

Despite having already given the required 60-day notice, the Hong Kong airline has been stopped since last year from moving out its business from Cheng, after the latter successfully obtained an injunction from Judge Francisco Mendiola.

The same judge issued a temporary restraining order last week against Qantas after the Australian airline also served notice that it, too, was unhappy with the level of service that the Cheng company was giving it and that Qantas was consequently transferring its business to another local warehouse provider.

According to the grapevine, the home offices of the foreign airlines were "stunned" after being informed that the Philippine judiciary not only can prevent a legitimate foreign business from dropping a service provider it is no longer happy with, but also keep the foreign business a virtual hostage to the local partner.

According to an industry estimate, Cathay Pacific and Qantas bring Pair Cargo about P15 million a year in combined revenues.

More NW pricing promo

FINANCIALLY troubled Northwest Airlines has pulled another pricing gimmick up its sleeve to boost capacity in its profitable trans-Pacific sector.

For $615, about the price of three roundtrip tickets to Hong Kong, Northwest is offering economy class-passage to the US West Coast good for departure from Manila throughout the Yuletide rush until Dec. 31.

Valid for six months, the "V" class ticket may be bought only through the NW website, thus cutting out the middlemen travel agents.

The promo ticket also allows free stopover in Japan during the return portion.

Money-go-round

• A VICE president of Clark Development Corp., Romeo Dyoco, who had been retired and given separation pay after the board chose not to reappoint him, is being resurrected at Clark International Airport Corp., after spending only six months at Clark Polytechnic post-CDC, with the same rank, pay and privileges.

• Ambassador to Washington Albert del Rosario has received Malacañang approval to retire from his coveted diplomatic assignment by year end.

Heard through the grapevine

HE may have voted to impeach Gloria Macapagal-Arroyo, but that has not prevented Makati Rep. Teodoro Locsin Jr. from sending word to Malacañang to please retain his job-hopping brother, Enrique "Henry" Locsin, as a Malacañang nominee to the cash-rich Philcomsat Group.

(Email: cocktales_pdi@pldtdsl.net or cocktales_pdi@yahoo.com)

No Free Lunch

From page B2

their gold possessions to their national reserves at the height of the Asian financial crisis. Unfortunately, such national pride and patriotism continue to elude us Filipinos.

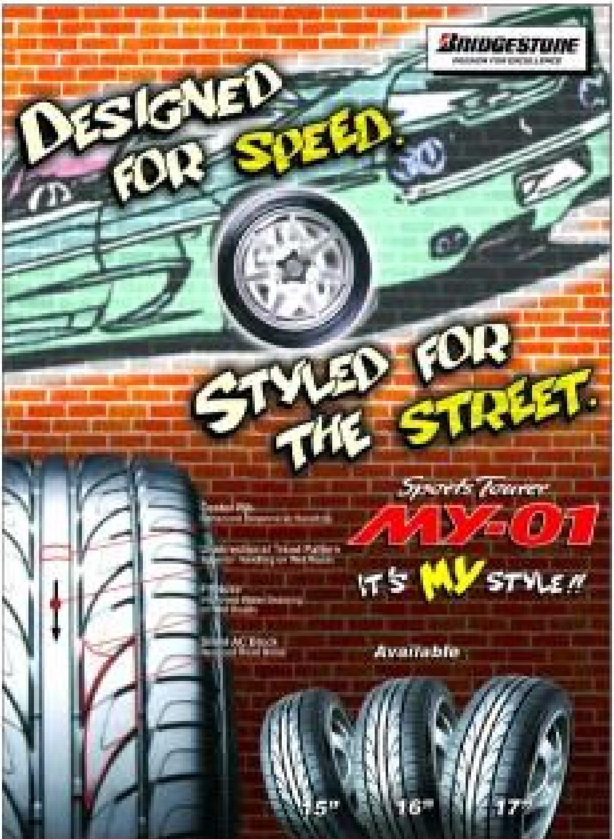
Spiritual and moral renewal—that is, transforming people's values and ethics—is an important means to change people's hearts toward putting the common good above personal welfare. Change in attitude precedes change in one's actions.

Finally, providing wide participation in policy-making mechanisms raises the likelihood that the common good will be served by government policies. The trend towards more devolution and civil society participation in governance are thus important positive steps.

The Philippines has been a forerunner in the region in this regard, thanks to the political will demonstrated by past leaders who welcomed and provided stronger and meaningful participation by civil society and business in the nation's governance. Our continuing challenge lies in making such participation an effective counterforce to the self-serving motivations of the ultimate decision-makers in government. *(Comments are welcome at cbabito@ateneo.edu.)*

Firm joins booming call center industry

Thai AirAsia gets permit to mount Clark-Macau-Bangkok flights



Republic of the Philippines
DEPARTMENT OF JUSTICE
BUREAU OF IMMIGRATION

MEMORANDUM CIRCULAR NO. AFF. 05-002

2006 better year for RP, Neda says

Inflation for '05 seen exceeding 5-6% target

DOF shoots down plan to cut debt service rule

Retail seen . . .

PNOC-EDC privatization moved to first quarter of 2006

Bangko Sentral sees '05 BOP surplus at $900M

SWS survey: Pure hogwash (Part 2)

QUESTIONS OF POLICIES



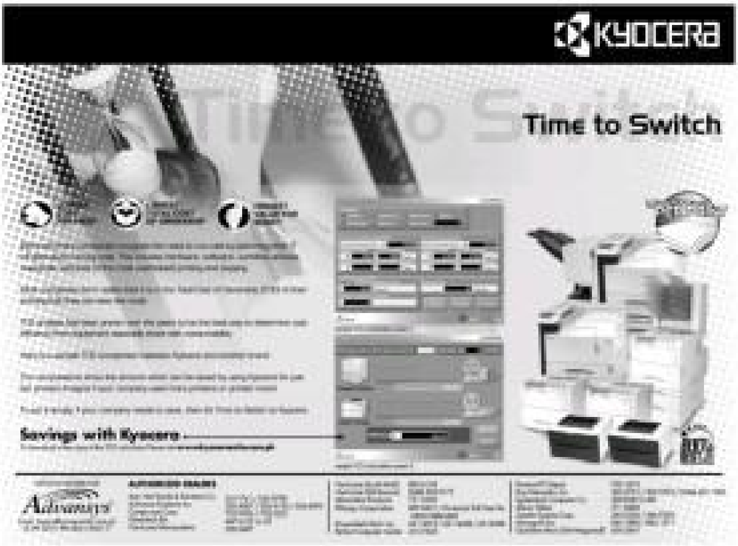
Dismissal of tax evasion ...

Investors await profit reports

Canadian mine firm bullish on Batangas

Chemrez eyes export market

Mirant plant ISO certified





CalPERS to start review of RP business climate

By Elizabeth L. Sanchez and Doris C. Dumlao

THE PHILIPPINES IS SEEN WALKING ON A tightrope when America's biggest pension fund, the California Public Employees' Retirement System (CalPERS), starts its review of the country's investment climate in November.

CalPERS has $172 billion in assets, of which an estimated $80 million is invested in Philippine companies, such as blue chips San Miguel Corp. and Philippine Long Distance Telephone Co.

PSE president Francis Lim said in a recent interview that Oxford Analytica, one of the subcontractors of CalPERS' main consultant Wilshire Associates, will visit the Philippines next month as part of CalPERS' review for the year 2006.

Oxford has requested a meeting with the PSE for an update on the status of creditor and shareholder rights in the country.

The review by Wilshire consultants usually starts in September and ends in March, Lim said.

Wilshire makes its final recommendation to CalPERS in April after completing the rating of 27 countries based on their political stability, legal system, market regulation, labor practices, investor protection structures and stock trading costs.

CalPERS handles the retirement and health benefits of 1.4 million California public employees and 2,500 employers.

For 2006, Lim said the investment climate seemed mixed.

He said he expected this year's positive rating to stay on creditor's and shareholder's rights.

He however expressed concern over how Wilshire would view the country's P80.8-billion budget deficit in August and the integrity of investment contracts in the Philippines.

For one, lawyers and other poor leaders asked the Supreme Court recently to nullify the multimillion-dollar North Luzon Railways Corp. (Northrail) contract awarded to China National Machinery and Equipment Corp. The government committed to shouldering $100 million of the $503 million cost of the project.

Lim said, however, these concerns could be offset by a recent Supreme Court decision that opened up the mining sector to foreign investors. The recent High Court ruling sparked interest in domestic mining ventures and triggered a rally in mining stocks.

Renato Picazo, Bangko Sentral ng Pilipinas executive director for investor relations, said investors and credit rating agencies indicated during recent offshore meetings with the government's economic team that their main concern was the prospect of the full implementation of the expanded value added tax law and its contribution to achieving the targets in 2006 and beyond.

"While the Supreme Court decision was viewed positively, several moves in Congress to defer a provision in the VAT law on the elimination of VAT exemptions of the power and fuel sectors clouds market sentiment," Picazo said.

If such moves were pursued, Picazo said these would lead to the "reassessment of investor confidence which may result in re-assessment of capital flows and heightened financial volatility."

He said another consequence would be unfavorable credit rating actions that could raise the government's borrowing costs and derail fiscal consolidation efforts. Hopefully, he said, the Supreme Court would likely lift the temporary restraining order on the VAT law by Oct. 18.

The government's economic team led by Finance Secretary Margarito Teves, Bangko Sentral ng Pilipinas Governor Amando Tetangco Jr., Trade Secretary Peter Favila and Socioeconomic Planning Secretary Augusto Santos recently conducted meetings with foreign investors in New York and Washington.

The investors pressed during

CALPERS B-1



LIM

BOI OKs P130-M logistics project

THE BOARD OF Investments approved the granting of tax perks for a local firm's P130-million integrated logistics project at the Laguna International Industrial Park.

Trade Undersecretary Elmer C. Hernandez, who is also BOI managing head, said Lane Archive Technologies Corp. had applied for pioneer status but was granted a non-pioneer status.

Pioneer status affords a company up to 6-year tax holiday and other fiscal and non-fiscal incentives, while a non-pioneer registration entitles a project proponent a 4-year tax holiday plus other perks.

In its application, Lane Archive said its project would be the first of its kind in commercial scale in the country.

The firm's high-technology approach may be new but files management is not a new thing in the country, Hernandez explained.

Lane Archive is primarily engaged in the business of files management including safe-keeping, safeguarding, storing, archiving, reproduction and/or microfilming of any documents, writing, item or record of any kind.

Among its current clients are Citibank, Makati Medical Center, Ayala Land, Caltex Asia, IBM Philippines, Coca-Cola Bottlers, Bank of America, Avon Cosmetics and American Express Bank.

The project involves the construction of a special-purpose building in LIIP.

The facility is fitted with mechanized racking and stacking systems, fire protection system, reinforced and fire-proof vaults, and computerized data base management systems.

Also, the facility has closed-circuit television surveillance system, global positioning system-based monitoring, smoke and motion sensors, and biometric keypad entry system.

The technology used is meant to provide real-time and online information about the records and documents.

To start commercial operation in January 2007, the project would create 58 new jobs. [illegible]

Banks' real estate exposure slightly down to ₱184.3B

By Doris C. Dumlao

[illegible]

Global Destiny expands operations

By Clarissa S. Batino

[illegible]

CalPERS

[illegible]

Capwire, PT&T seek at least P500M in new capital

By Clarissa S. Batino

[illegible] CAPITOL WIRELESS INC. and sister firm Philippine Telegraph & Telephone Corp. are in need of at least P500 million in fresh capital to turn its operations around, one of the owners said.

Capwire president Maurice Santiago said the company was in talks with various groups that were interested in putting in at least $[illegible] million (roughly P500 million) in new money.

"PT&T would need much more than $[illegible] million. Both Capwire and PT&T are talking with potential investors," said Santiago in an interview.

Capwire and PT&T are among the communication companies trying to find a niche in the evolving telecommunications sector now dominated by mobile phone companies.

Cellular companies killed the paging technology which was one of the major businesses of the Santiago family under Philippine Wireless Inc., which owned Pocketbell.

"It is really hard. We are trying to find a niche," said Santiago.

Capwire is trying its best to survive in the competitive data business.

The company is restructuring about a billion pesos in debt.

PT&T had gone ahead with its debt restructuring. It signed three years ago with its creditors a master restructuring agreement covering 40 percent of its P[illegible] billion obligations. Half of the amount was to be converted into equity



AstraZeneca has announced new partnerships with **Zuellig Pharma Corporation** and **Interphil Laboratories, Inc.**, respectively, to distribute and manufacture its pharmaceutical products in the Philippines. In photo from left to right: **Mr. Santiago Garcia**, Chief Operating Officer, Interphil Laboratories; **Dr. Christina Akerman**, Marketing Company President, AstraZeneca; **Mr. Michael Becker**, President and Chief Executive, Zuellig Pharma, during the signing ceremonies.



Retail seen to fuel Asia's growth

ASIA WILL CONTINUE TO GROW despite economic challenges in the region, and this will be fueled mainly by a vibrant retail sector.

This was the gist of the [illegible] report presented by [illegible] Lim of the Philippine Retailers Association (PRA) at the 12th Asian Retailers Convention and Exhibition held recently at the Great Hall in Beijing, China.

In his presentation before some 2,000 convention participants, Lim showed the upbeat growth of the retail industries in India, Indonesia, Malaysia, Thailand, Singapore and the Philippines.

In 2004, he said, India posted sales of [illegible] billion or [illegible] percent higher than a year ago. Indonesia, [illegible] billion or [illegible] percent growth; Thailand, [illegible] billion or [illegible] percent growth; Malaysia, [illegible] billion or [illegible] percent growth; Singapore, [illegible] billion or [illegible] percent growth; and the Philippines, [illegible] billion or [illegible] percent growth. Each country's retail sales translated to a [illegible] percent to [illegible] percent contribution to their respective gross domestic product (GDP).

He also noted that with the growing population of Asian countries, including the Philippines, retailers were looking at east Asia as an attractive retail market. With an average of more than [illegible] percent yearly growth in domestic population, and with India and Indonesia being the 2nd and 4th most populated countries in the world, respectively, the opportunity for foreign investors to look at Asia as a business haven has greatly improved.

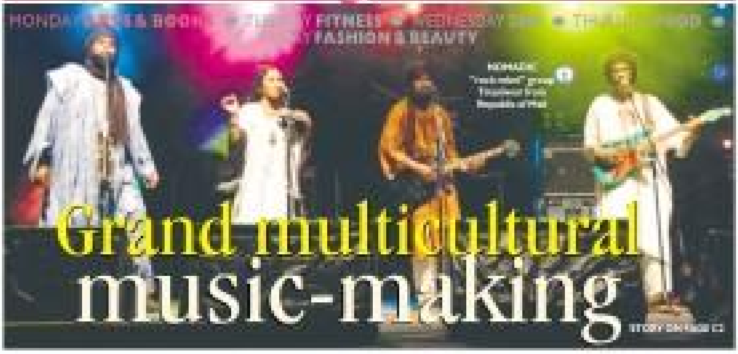
[illegible] Group CEO [illegible], in his keynote speech, described Asia as "an awakening giant."

He added that "by having the fastest growing economy markets, Asia will not be displaced [illegible] countries as the focus the international economic dynamism. Rising Asia will also continue to reshape globalization."



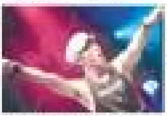
THE REGION has the fastest growing consumer markets.

LIFESTYLE



Grand multicultural music-making







The Womad arts festival in Singapore was an opportunity to headbang for a common cause

LIFESTYLE

The showcase of the best of Asian built design shows a different sort of Cultural Revolution





China's museum of 'art architecture'

PRIDE OF PLACE



Augusto F. Villalon

Clubhouses



China's museum of 'art ar

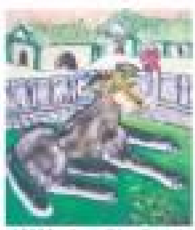


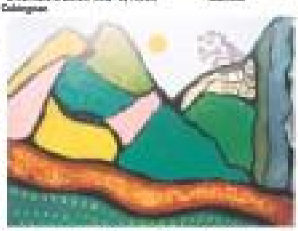
Celebrating innocence and friendship

Addie Cukingnan captures the wonders of childhood while the Cuatro Amigos + One marks 30-year-old ties





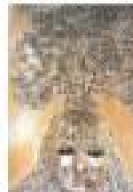






Pilapil at Met Mu at West, Pacena

VISUAL ARTS

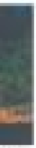




"CACTUS"

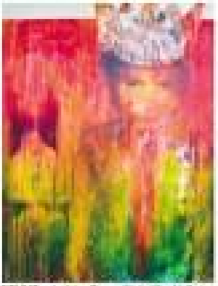
Charlie Co's dismal spectacle

chitecture'



[illegible]

useum, Convocar at Cubicle



[illegible]



[illegible]